

**MICHIGAN DEPARTMENT OF COMMUNITY HEALTH  
NURSING HOME (NH) AND HOSPITAL LONG-TERM CARE UNIT BEDS  
STANDARD ADVISORY COMMITTEE (SAC) MEETING**

Wednesday, July 25, 2007

Capitol View Building  
201 Townsend Street  
MDCH Conference Center  
Lansing, Michigan 48913

**APPROVED MINUTES**

**I. Call To Order**

Chairperson Chalgian called the meeting to order at 9:05 a.m.

**A. Members Present:**

Diane H. Baker, Blue Cross Blue Shield of Michigan (Arrived @ 9:20 a.m.)  
James P. Bowe, Michigan Association of Homes & Services for the Aging  
James Branscum, Vice-Chairperson, Health Care Association of Michigan  
Bart J. Carrel, Borgess Health  
Douglas Chalgian, Chairperson, Alzheimer's Association  
Thomas E. Czerwinski, Area Agencies on Aging Association of Michigan  
Priscilla Mazurek, RN, University of Michigan Health System (Arrived @ 9:43 a.m.)  
Linda E. Neumann, HCR – ManorCare Long Term Care  
Sarah Slocum, Michigan Long Term Care Ombudsman  
Susan C. Steinke, Michigan Quality Community Care Council

**B. Members Absent:**

Marge Faville, SEIU  
Alison E. Hirschel, Michigan Poverty Law Program

**C. Michigan Department of Community Health Staff Present:**

Umbrin Ateequi  
Bill Hart  
John Hubinger  
Joette Laseur  
Irma Lopez  
Andrea Moore  
Brenda Rogers  
Taleitha Pytlowanyj

## **II. Introduction of Members and Staff**

There were brief introductions of the new Committee members and Department staff.

## **III. Declaration of Conflicts of Interests**

Ms. Rogers provided a brief overview of the definition of declaration of conflicts of interest.

Mr. Bowe stated that his organization will be filing a CON application involving relocation.

Mr. Carrel stated that his organization will be filing a CON application involving relocation.

## **IV. Review of Agenda**

Motion by Vice-Chairperson Branscum, seconded by Ms. Steinke, to accept the agenda as presented. Motion Carried.

## **V. Basic CON Overview**

Ms. Rogers reviewed the PowerPoint presentation provided by the Department to the Committee regarding the development of CON. Ms. Moore provided a brief overview of the Charge presented to the Committee and the process of the SAC. Discussion followed.

## **VI. Review and Discussion of Charge**

### **A. Quality Measures**

Ms. Slocum began the discussion by recommending the Committee add more quality measures to the Standards. Mr. Carrel suggested the Committee look at quality indicator reports. Ms. Moore provided a brief overview of the quality measures memo (Attachment A). Discussion followed.

### **B. Addendum for Special Population Group Beds**

Vice-Chairperson Branscum began the discussion by providing a brief overview of the addendum for Special Population Group Beds. Discussion followed.

### **C. Addendum for New Design Model Pilot Program**

Vice-Chairperson Branscum stated he would like to see the New Design Model Pilot Program continue. Further, Mr. Bowe and Ms. Slocum stated their support of the program. Ms. Slocum suggested that the Committee look at the 3-year term in the Pilot Program and possibly make it more long-term. Discussion followed.

### Public Comment

Ed Kemp, Medicaid

Break from 10:30 a.m. to 10:46 a.m.

### **D. High Occupancy**

Brief discussion took place. This item will be further discussed at the next meeting.

### **E. Definitions and Methodologies**

Chairperson Chalgian provided the Committee with a correspondence (Attachment B). Vice-Chairperson Branscum provided an additional document (Attachment C) that goes with Chairperson Chalgian's correspondence. Discussion followed.

**F. Long-Term Care Policies and Regulations**

Ms. Moore provided clarification as to what the Charge is requesting. Discussion followed.

**VII. Discussion of SAC Work Plan**

Chairperson Chalgian asked the Committee how they would like to handle the charges. The Committee decided that quality measures would be the first Charge they would like to handle. They would also like to look more closely at the New Design Model Pilot Program. The Committee decided that they would discuss the Charges as follows: Quality Measures and Addendum for New Design Model Pilot Program at the August meeting, Addendum for Special Population Group Beds and High Occupancy at the September meeting, and Definitions and Methodologies and Long-Term Care Policies and Regulations at the October meeting. They decided that Definitions and Methodologies and Long-Term Care Policies and Regulations can be discussed at every meeting. Further, Ed Kemp, Medicaid Policy, agreed to assist where possible. Discussion followed.

**VIII. Review of Draft Language – Technical Changes**

Ms. Moore reviewed the technical changes made to the Standards. Discussion followed.

**IX. Next Steps**

Ms. Mazurek suggested that the Committee keep in mind the increasing clinical complexity or patient care requirements of their facilities and how they need to manage the clinical complexity. The Committee members were urged to provide any data they have that would help facilitate the discussion of Charges. Discussion followed.

**X. Future Meeting Dates:**

August 22  
September 26  
October 18  
November 8  
November 28

**XI. Public Comment**

Barb Jackson, Economic Alliance for Michigan  
Pat Anderson, H-CAM  
David Herbel, MAHSA  
Mark Mailloux, University of Michigan Health Systems

**XI. Adjournment**

Motion by Mr. Bowe, seconded by Ms. Steinke, to adjourn the meeting at 12:08 p.m. Motion Carried.

Michigan Department of Community Health  
**MEMORANDUM**  
Lansing, MI

DATE: July 18, 2007  
TO: Irma Lopez  
FROM: Andrea Moore  
RE: Quality Measures

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Certificate of Need (CON) is based on the principles of cost, quality, and access. The Nursing Home and Long-Term-Care Unit Beds Workgroup 2005 – 2006 was given the task of identifying appropriate quality measures for the Nursing Home and Hospital Long-Term-Care Unit Beds Standards. Unfortunately, this Workgroup was unable to reach a consensus recommendation. At the January 9, 2007 Public Hearing on these Standards, six (6) organizations recommended the inclusion of quality measures in the Standards. Accordingly, the Commission has charged the Nursing Home Standard Advisory Committee with the following:

Consider inclusion of quality measures (i.e., OSCAR database and licensing certification) for all applicants including the owner/operator and facilities under common ownership, proposing to initiate, expand, or acquire a facility. If recommended, specific quality measures criteria must be provided.

Nursing Home and Long-Term-Care Unit Beds Workgroup 2005 – 2006

The Nursing Home and Long-Term-Care Unit Beds Workgroup (Workgroup) was established in December 2005 to evaluate and make recommendations to the Commission on quality measures for the Standards. The Workgroup reviewed the following citations:

- Ban on Admissions is a state citation that restricts a facility's ability to accept new patients.
- Discretionary Denial of Payment on New Admission is a federal citation imposed upon a facility 16 days after state recommendation of this action. Results in a denial of payment for any new admissions until the condition is removed.
- Mandatory Denial of Payment on New Admission is a federal citation automatically imposed upon a facility for failing to correct survey deficiencies within three (3) months. Results in a denial of payment for any new admissions until the condition is removed.

- Deficiencies/Citation Matrix is utilized to assess the effect on resident outcome (severity level) and the number of residents potentially or actually affected (scope level). The matrix is as follows:

	Isolated/Few	Pattern/Some	Widespread/Many
Immediate jeopardy to resident health or safety.	J	K	L
Actual harm that is not immediate.	G	H	I
No actual harm with potential for more than minimal harm that is not immediate jeopardy.	D	E	F
No actual harm with potential for minimal harm.	A	B	C

The Workgroup's final meeting in September 2006, included discussion of the draft quality measures criteria language compiled from previous meetings. An overview of the quality measures criteria set forth in the draft language for all applicants proposing initiation, expansion, or acquisition is as follows:

An applicant, who has, at the time of application, any of the deficiency conditions listed below for the Nursing Home identified in this application and for all Nursing Homes owned and operated by the applicant and the applicant's owner, shall be ineligible for a CON unless 12 months has passed since the deficiency has been remedied and such remedy confirmed in writing by the Department:

- A State enforcement action involving a limited or total ban on admissions.
- A citation for immediate jeopardy (J, K, L) under the federal regulatory requirements for nursing homes.
- Two (2) or more citations with the same federal regulatory grouping at harm levels scope and severity ratings G, H, and/or I issued within a 12-month period.
- A number of citations at scope and severity ratings D, E, F, G, H, I, J, K, and/or L on the Federal Nursing Home regulation scope and severity matrix that exceeds twice the State average.

At the Department's sole discretion, the 12-month ineligibility period outlined above, may be waived by stipulation and entry of a Corporate Compliance Agreement between the Department and the applicant for the Nursing Home identified in the application and for all Michigan Nursing Homes owned by, is under common control of, or has a common parent of the applicant. The Corporate Compliance Agreement shall consider, but not be limited to, the following conditions:

- Deficiencies of every Michigan Nursing Home owned by, is under common control of, or has a common parent of the applicant, must be remedied within a set time period.
- Plans to ensure the continued improvement of the quality of patient care.
- Proposed actions to exceed the minimum State patient safety guidelines.
- Proposed actions to initiate state-of-the art patient care systems.
- The use of independent monitors for compliance and for reporting progress to the Department on a quarterly basis until all terms of the Corporate Compliance Agreement has been satisfied.

The Workgroup also applied the proposed criteria to all facilities. The facilities and chains affected by the above quality measures are as follows:

**Facilities Meeting the Quality Measures Criteria**  
June 1, 2005 through May 31, 2006

Facility	Federal ID	Immediate Jeopardy	2 or More G, H, or I Citations	Citations of D-L Exceeds Twice the State Avg	Ban on Admission	Chain With 25% or More Than 2 Facilities*
Advance Nursing Ctr	235131		X	X		
Beaconshire Nursing	235475		X	X		
Bortz Hlth Oakland	235396	X	X	X		1(1 of 11)
Brookhaven MCF	235204		X	X		
Cedar Knoll CC	235537			X	X	10(1 of 2)*
Eastwood Conv Ctr	235422		X	X		5(2 of 27)*
Faith Haven Senior	235359	X	X			18(1 of 9)
Four Seasons Nursing Ctr of Westland	235578		X	X		6(1 of 4)*
Golden Oaks MCF	235260		X	X		
Hamilton Nursing	235382	X		X		
H.F. Continuing C.C. Roseville	235491		X	X		9(1 of 2)*
Imperial Healthcare	235514	X	X	X		26(1 of 3)*
Little Rock Baptist Christian Care	235468		X	X		
Mather Nursing Ctr	235349	X			X	4(1 of 10)
Medilodge of Taylor	235300	X	X			15(1 of 15)
Metron of Allegan	235264		X	X		16(1 of 9)
Nightingale HCC	235259	X		X		22(1 of 7)
Sheffield Manor Nursing and Rehab	235492	X	X			5(2 of 27)*
St. Jude Nursing Ctr	23E762	X	X			2(1 of 2)*
Tendercare Hastings	235281		X	X		23(1 of 34)

\*Notes a chain that will be affected by the criteria.

Total Chains/Facilities Affected by the Quality Measures Criteria

Chain Number	Chain Owner	Number of Facilities
2	Bradley J.M. Mali	1
5	Ciena Healthcare Mgmt	25
6	Dunn & Stein, Inc.	3
9	Henry Ford Continuing Care	1
10	John L. Hupp & Associates	1
26	Bruck & Weiss	2
Facilities Meeting Criteria from above chart		20
Total		54

Thus, when the quality measures are applied to the current facilities, 54 facilities would be ineligible for approval of a CON application proposing to initiate a new facility, expand an existing facility, or acquire an existing facility. However, these facilities would be eligible for approval of a CON application proposing renovation or replacement of existing beds.

The Workgroup was unable to reach a reasonable consensus on the quality measures and as such, the draft language was not presented to the Commission. No additional Workgroup meetings were held, with the understanding that the Standards were scheduled for a full review in 2007.

#### Other CON States

Several CON states already have quality measures in their CON standards, and the following are offered as examples:

The State of Alaska, when having competing applications, preference will be given to the applicant, including any parent organization of the applicant, as follows:

- Demonstrates a commitment to quality that is consistent with, or better than, that of existing services.
- Demonstrates a pattern of licensure and accreditation surveys with few deficiencies and a consistent history of few verified complaints.
- Demonstrates that the applicant has consistently provided, or has a policy to provide high levels of care to low-income and uninsured persons.

The State of Arkansas will not grant a Permit for Approval to an application in which the applicant has any of the following conditions:

- A project that does not eliminate all three (3)-bed units in the applicant's facility, except to comply with specific regulations for intensive care, Alzheimer's, or sub-acute care units.
- A project that does not include a sprinkler system and a generator.
- An application for a facility with current life threatening compliance issues that will not be corrected by the proposed construction.
- An application for a facility with a level H deficiency or higher in the 12 months preceding the date of the application or until the final decision of the Commission.

- An application for a facility where the owner/operator has abandoned one (1) or more LTC facilities either in Arkansas or in another State.
- The Agency may consider an applicant's compliance and enforcement history.

The State of Georgia will not grant a CON to an application in which the applicant has any of the following conditions:

- An application for a facility with uncorrected operational standards in any existing Georgia nursing home owned and/or operated by the applicant or by the applicant's parent organization. Plans to correct physical plan deficiencies in the applicant's facility must be included in the application.
- An applicant and any facility owned and/or operated by the applicant or its parent organization shall have no previous conviction of Medicaid or Medicare fraud.

The State of Virginia, when having competing applications, will give preference as follows:

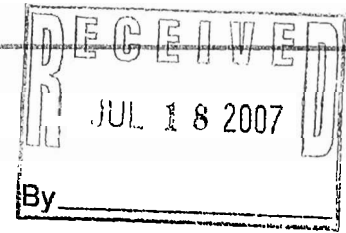
- To applicants who can demonstrate a consistent history of compliance with state licensure regulations.
- To applications who are accredited by the Joint Commission on Accreditation of Health Care Organizations or another appropriate accrediting body and who can demonstrate a history of operating accredited facilities.
- To applicants who can demonstrate a consistent pattern of licensure surveys with few deficiencies and a consistent history of few complaints.

cc: Jan Christensen, Bill Hart, Brenda Rogers





July 11, 2007



## Brookcrest

A Christian Rehabilitation  
& Life Center

3400 Wilson Ave., S.W.  
Grandville, MI 49418  
Phone: 616-534-5487  
Fax: 616-534-2150  
www.brookcrest.org

Mr. Douglas G. Chalgian - Chairman  
Nursing Home Standard Advisory Committee

Dear Mr. Chalgian

I want to thank you and each of NHSAC members for your willingness to serve on this important and timely committee. The C.O.N. process is one that is long overdue for revision. I am writing this letter as a representative of Brookcrest, which is the skilled nursing facility of the Sunset Association that serves residents in the greater West Michigan area.

As the committee begins reviewing the current Nursing Home and HLTCU standards and methodologies, I would request that you give serious consideration to the definition and methodology related to planning areas. This consideration is item 5 of the committee mandate which states "Review definitions and methodologies, and examine other options".

The current definition of a planning area as listed in the CON Review Standards approved September 14, 2004, Sec.2(cc) is "*Planning Area*" means the geographic boundaries of each county in Michigan with the exception of: (i) Houghton and Keweenaw counties, which are combined to form on planning area and (ii) Wayne County which is divided into three planning areas. Section 13 identifies the three planning areas in Wayne County and the specific geographic area included in each." I would suggest that continued use of county lines as the defining factor for establishing planning areas is outdated and dysfunctional. Utilization of county lines creates arbitrary lines through many metropolitan areas.

Specifically, in the West Michigan area, you will find that the cities of Grand Rapids, Grandville, and Jenison are divided by Kent and Ottawa county. The city of Holland is bisected by Allegan and Ottawa County while Grand Haven and Muskegon serve the same constituency but are located in Ottawa and Muskegon county. These are just some examples of the demographics that are significantly impacted in our part of the state,

## Sunset Home Services

725 Baldwin  
Jenison, MI 49428  
Phone: 616-667-HOME (4663)  
Toll-Free: 1-877-457-2770  
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## Sunset Manor & Village

725 Baldwin Street  
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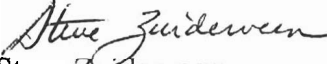
but there are many examples throughout the state where major metropolitan areas have grown and developed to the point that they have blended together as a community.

Our organization is struggling with this issue right now. Currently we serve over 700 residents in independent and assisted living, as well as skilled nursing settings. The nursing home is located in Grandville (Kent County), which is two miles away from our IL/AL campus located in Jenison (Ottawa County). So if we wanted to relocate a portion of our skilled beds to our IL/AL campus and create a true CCRC, which is within the allowable replacement zone of a three mile radius, we would not be allowed to because of the planning area restrictions.

**I would ask the committee to make a recommendation to the commission that planning areas be created on a regional basis instead of basing it on county lines.** There is already a precedent for not strictly following county lines in that Wayne County has been divided up while Houghton County and Keweenaw County have been combined.

Thank you for your time and consideration.

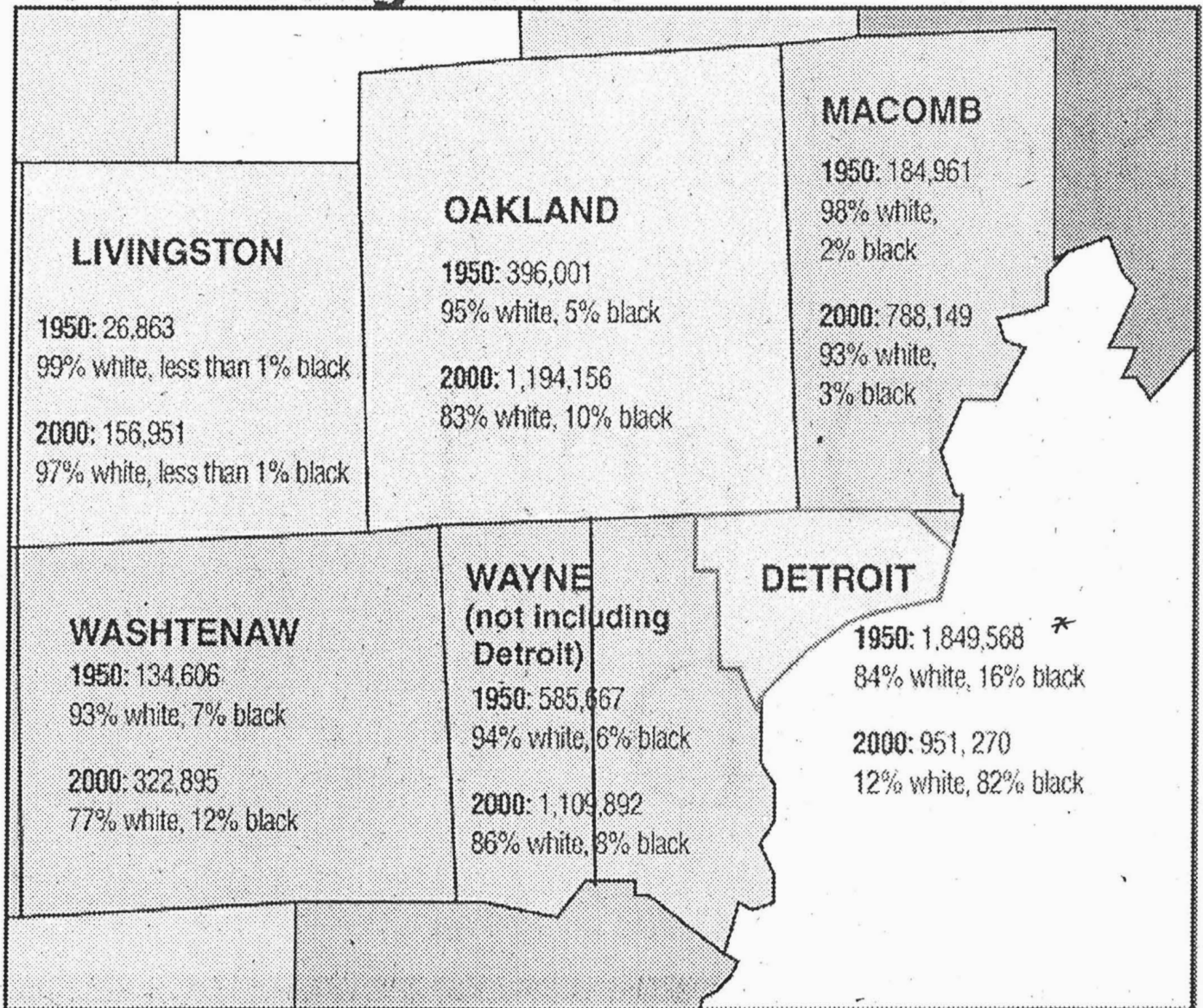
Sincerely,

  
Steve Zuiderveen  
Administrator  
Brookcrest

Cc: Lody Zwarensteijn – Alliance for Health  
Rep. David Agema



# Population and racial makeup, 1950 through 2000



SOURCE: U.S. Census

DAILY PRESS & ARGUS GRAPHIC

\* 2007 ESTIMATE. DETROIT < 900,000